GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:2924
ANSWERED ON:11.05.2016
Construction of Railway Tracks by Private Firms
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Will the Minister of RAILWAYS be pleased to state:

(a) whether the Railways has decided to rope in private firms to build some stretches of railway tracks and if so, the details thereof;

(b) whether the private firms will get a 'bulk contract' and will be held responsible for activities relating to project execution and if so, the details thereof;

(c) whether this project will be awarded under the Engineering, Procurement and Construction (EPC) mode and if so, the details thereof;

(d) whether the Railways has substantial pending projects with a huge financial burden and if so, the details thereof; and

(e) whether the construction cost will be borne by the private firm which will get an annual premium from the Railways and if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS

(SHRI MANOJ SINHA)

(a) to (c): Yes, Madam. Railways has issued a Participative Policy in December 2012 envisaging four different models through which private firms can participate for construction of Railway lines. These models are - Non Governmental Railway (NGR), Joint Venture (JV), Build Operate & Transfer (BOT) and Annuity. Under these models, the concessionaire are responsible for financing, constructing and timely completion of the project. Such concessions are different from Engineering, Procurement and Construction (EPC) contracts.

(d): As on 01.04.2016, Indian Railways have 458 major ongoing projects including 166 New Line, 39 Gauge Conversion and 253 Doubling projects, that need about ? 3.86 lakh crore for their completion.

(e): The construction cost is borne by the concessionaire. The concessionaire gets compensated by means of pre-agreed percentage of apportioned freight revenue in NGR, JV and BOT models or fixed quarterly annuity payments under Annuity Model after commissioning of the projects during the concession period.

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